

# TOPICS OF DAY IN WALL STREET

Labor Threat. "Suddenly Realized," Ostensible Cause of Decline.

## SOME EVIDENCE OF MARKET SATURATION

Signs That Europe's Offerings of Stocks Here Remain in Middlemen's Hands.

It was no new discovery that railroad employees were behind their leaders in demands for an eight-hour day. Such implications—they were made over Sunday—are deceptive. Before the vote began to be taken there was no doubt of how it would turn out. Even for Wall Street the realization was not sudden. It would be too much to say, however, that yesterday's decline in the railroads and other stocks was mere coincidence. Suppose, for instance, that it had been found that railroad stocks—poured out abundantly from Europe—were not finding their way into the hands of climate investors. What would be more natural than that a move downward to a more tempting level should have its real cause shown by a sudden concern over the railway labor situation?

**Real Investors Needed.**

For a good many weeks it has been plain to market observers that much of the European output of "America" was not getting beyond what might be called the "middleman." Cash loans in both increased in recent months, and borrowing for commercial purposes was so small that there was at times a dearth of good commercial paper. The situation answered by the Anglo-French financial mission, when it came here last fall to borrow a billion dollars, seems not to have altered. Misled by the character of the dealings on the London and Paris stock exchanges, they assumed an investment demand here far beyond its actual size. They found an extraordinary number of "investors" were persons who bought in segment stocks. It is true, but "carried" them through local brokers. There was no harm in that kind of financing as a temporary measure; but it was plain enough that until these stocks were sold to investors, and until they had "realized" them, gratification over American absorptive ability would be incomplete. Not only that, but in the course of time it was known to middlemen as the point of saturation would be reached. When that came absorption would cease, or there would have to be a new credit; in other words, there would have to be developed a new investment demand.

**The Old Formula.**

As for the railway labor demand, if it is to come in for particular consideration just now, it is worth regarding the remarks of one shrewd observer of American financial conditions. "The railroad employees want more pay, and the railroad operators are going to fight their demands—what the next step will be asked privately," "Investigation," said he dryly, "with Seth Low, providing by two."

**Gold and the Cost of Living.**

In June, 1914, the month before the European war began, Sauerbeck's cotton futures showed an average price for forty-five commodities in Great Britain of \$12. In December of last year the index rose to 114.4, according to the continuation of the Sauerbeck statistics made by the London Statistic. Not only was there a rise for the war period of 22 per cent, but the index for the first time passed the record high level of 117, made in 1925. Through the great inflation in prices in Great Britain, the United States has been the recipient of enormous amounts of gold, though that was not the case during the war. The gold has been the basis of a secondary inflation here, which is to be expected, of course, as prices will rise here as fast as or faster than in the war-wracked Europe, but they will rise. And this is to say, in the opinion of our experts, that while the war is ended in Europe, inflation abroad succeeds inflation. Some interesting things will happen to our stocks of gold as well as to our price of living.

**Wages and Votes.**

There was an interesting theory advanced yesterday, in relation to the demands for higher wages, of which 22 per cent is to have an abundance. This is a Presidential year, but here at Washington an administration which is not notable for the interests of incorporation managers but a number of preceding administrations have had it. It was often possible in other Presidential years, when the districts of the country were under the thumb of Washington, to bring labor and capital together in a reconciliation that could be guaranteed to last over Election Day at least. But for four years there is no guarantee that the troubles will be smoothed over. They have had a chance to get votes. And there has been no year, at least a decade when they were not formidable.

**Sovereigns in Exile.**

According to a newspaper compilation, there are now nine European sovereigns in exile by reason of the war's developments. No account is made, apparently, of the British sovereigns coming over here, until recently, by themselves. Some of them, with their nationality still upon their faces, are waiting for the restoration, in Wall Street banks, but the great majority have forever lost their identity in the melting-pot of the Assay Office.

**The Army of a Dream.**

There were to be sixty thousand men in the association, and each member was to contribute 25 cents to start—\$15,000 altogether. What was to be done with the money was not either clear. Perhaps it was to give moral support to the leaders; and there was no whisper of bribery and corruption. And what was the association for? To invade to-day and the leaders? To invade to-day's meeting of the Steel directors and to demand on behalf of prematurely aged stockholders the noble army of \$9,000—the dividend that perhaps they were going to get anyway. There was actually a story like that in Wall Street yesterday.

**Southern Pacific Prospects.**

Southern Pacific's monthly earnings begin to surpass not only those of each year, but even those of each year ago. Gross, \$2,761,028 for December. In the six months ended Dec. 31, gross earnings increased \$1,000,000, and net \$7,888,820 to nearly half a million, in net, amounted for a full year, or the full dividend. Experts for the day were 22,822 bales,

## BOND SALES ON THE STOCK EXCHANGE

MONDAY, JANUARY 24, 1916.

Trading in bonds on the New York Stock Exchange Monday amounted to \$4,435,000, against \$2,061,000 Saturday, \$4,261,000 a week ago and \$2,716,000 a year ago. From January 1 to date, \$90,794,000, against \$46,331,000 in 1915.

### GOVERNMENT BONDS.

Anglo-French	Anglo-French	do registered	do do Hrs & Gulf do
5,000	5,000	103	9,000
10,000	10,000	103	10,000
15,000	15,000	97	10,000
20,000	20,000	97	10,000
25,000	25,000	88	10,000
30,000	30,000	48	10,000
35,000	35,000	87	10,000
40,000	40,000	123	10,000
45,000	45,000	103	10,000
50,000	50,000	103	10,000
55,000	55,000	103	10,000
60,000	60,000	103	10,000
65,000	65,000	103	10,000
70,000	70,000	103	10,000
75,000	75,000	103	10,000
80,000	80,000	103	10,000
85,000	85,000	103	10,000
90,000	90,000	103	10,000
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415,000	415,000	103	10,000
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425,000	425,000	103	10,000
430,000	430,000	103	10,000
435,000	435,000	103	10,000
440,000	440,000	103	10,000
445,000	445,000	103	10,000
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455,000	455,000	103	10,000
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465,000	465,000	103	10,000
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530,000	530,000	103	10,000
535,000	535,000	103	10,000
540,000	540,000	103	10,000
545,000	545,000	103	10,000
550,000	550,000	103	10,000
555,000	555,000	103	10,000
560,000	560,000	103	10,000
565,000	565,00		